



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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## *Memorandum*

TO: Administration Committee

DATE: June 4, 2008

FR: Executive Director

W.I.: 1153

RE: Zero Emission Bus Advanced Demonstration Project: MTC/BAAQMD Interagency Agreement and AC Transit Funding Agreement

The California Air Resources Board's (CARB) Zero Emission Bus (ZEB) Regulation requires AC Transit, VTA, SamTrans and Golden Gate Transit to implement a Zero Emission Bus Advanced Demonstration Project. The operators are planning to implement a regional project with a fleet of 12 hydrogen fuel cell-powered ZEBs, with AC Transit taking the lead in procuring and operating the ZEBs in collaboration with the other operators.

MTC staff has been supporting the demonstration project by working to identify funding sources for the capital costs, which are currently estimated to total approximately \$40 million. As part of this effort, MTC applied on behalf of the operators for funding from CARB's Alternative Fuel Incentives Program (AFIP), and was awarded \$630,000. The agreement between MTC and CARB for the AFIP funds was approved by the Committee in June 2007.

MTC also applied on behalf of the operators for funding from the Bay Area Air Quality Management District's (BAAQMD) Transportation Fund for Clean Air (TFCA) program and was awarded \$2,000,000 in two grants of \$1,500,000 and \$500,000. This item authorizes the Executive Director to negotiate and execute two interagency agreements with BAAQMD to accept these funds. The funding is already included in the FY 2007-08 and FY2008-09 agency budgets. This item also authorizes the Executive Director to negotiate and execute a funding agreement with AC Transit for the \$2,630,000 in AFIP and TFCA funds to offset the costs of purchasing the ZEBs.

The initial plan for the project included AC Transit purchasing and operating eight of the twelve required ZEBs, with VTA purchasing and operating the other four. Under the initial plan, the AFIP and TFCA funds would have been directed to VTA, and AC Transit's costs would have been covered with other project funding sources. Operator staff agreed to revise the plan to have AC Transit procure all 12 ZEBs, and the VTA board will soon be considering an item endorsing the revised plan. However, the possibility remains that VTA will elect to procure four ZEBs for the project. Accordingly, the funding agreement with AC Transit would provide that the agreement will be amended and the funds will be redirected to VTA if VTA elects to purchase ZEBs for the project.

**Recommendation**

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and execute the previously described interagency agreements with BAAQMD, in the amounts of \$1,500,000 and \$500,000, and the funding agreement with AC Transit, for an amount up to \$2,630,000.

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Steve Heminger

SH: GT

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract Amendment

Work Item No.:	1513
Agency:	Bay Area Air Quality Management District (BAAQMD) San Francisco, CA
Project Title:	Zero Emission Bus Advanced Demonstration Project
Purpose of Project:	Pass through funds to offset costs for a regional demonstration project, with AC Transit procuring and operating Zero Emission Buses (ZEBs) in collaboration with other transit operators. Project is required by California Air Resources Board regulation.
Project Cost Not to Exceed:	\$2,000,000 in two agreements for \$1,500,000 and \$500,000
Funding Source:	Transportation Fund for Clean Air (TFCA)
Fiscal Impact:	Funding is included in the FY 2007-08 agency budget.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and execute two interagency agreements with the Bay Area Air Quality Management District for funding for the regional Zero Emission Bus Advanced Demonstration Project.
Administration Committee:	<hr/> Bob Blanchard, Chair
Approved:	Date: June 11, 2008

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract Amendment

Work Item No.:	1513
Agency:	AC Transit
Project Title:	Zero Emission Bus Advanced Demonstration Project
Purpose of Project:	Implement a regional demonstration project, with AC Transit procuring and operating Zero Emission Buses (ZEBs) in collaboration with other transit operators. Project is required by California Air Resources Board (CARB) regulation.
Brief Scope of Work:	AC Transit will procure at least eight and up to 12 ZEBs and operate them in collaboration with other transit operators.
Project Cost Not to Exceed:	\$2,630,000
Funding Source:	BAAQMD TFCA (\$2,000,000), CARB AFIP (\$630,000)
Fiscal Impact:	Funding is included in the FY 2007-08 agency budget.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and execute a funding agreement with AC Transit as described herein, and the Chief Financial Officer is directed to set aside funds for such agreement.
Administration Committee:	<hr/> Bob Blanchard, Chair
Approved:	Date: June 11, 2008